

# House File 559 - Introduced

HOUSE FILE 559

BY SHEETS

## A BILL FOR

1 An Act relating to school district funding by modifying school  
2 budget review committee authority to recommend fiscal  
3 reviews and to provide transportation assistance aid,  
4 specifying uses of the district management levy, authorizing  
5 school districts to levy for transportation costs, and  
6 including applicability provisions.  
7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 257.31, subsection 17, paragraph a, Code  
2 2013, is amended to read as follows:

3 a. If a district's average transportation costs per pupil  
4 exceed the state average transportation costs per pupil  
5 determined under paragraph "c" ~~by one hundred fifty percent,~~  
6 the committee may grant transportation assistance aid to the  
7 district. Such aid shall be miscellaneous income and shall not  
8 be included in district cost.

9 Sec. 2. Section 257.31, subsection 18, Code 2013, is amended  
10 by striking the subsection and inserting in lieu thereof the  
11 following:

12 18. The committee is authorized to recommend that the  
13 department implement a phase II on-site visit to conduct a  
14 fiscal review pursuant to section 256.11, subsection 10,  
15 paragraph "b", subparagraph (1), subparagraph division (e), as  
16 follows:

17 a. If a school district exceeds its authorized budget  
18 or carries a negative unspent balance for the most recently  
19 completed budget year and for each of the two budget years  
20 preceding that budget year and the school district is not  
21 eligible for a phase II on-site visit recommendation to conduct  
22 a fiscal review under paragraph "b", the committee may, but is  
23 not required to, recommend that the department conduct such a  
24 phase II on-site visit unless the school district's unspent  
25 balance for the most recently completed budget year is greater  
26 than the difference of four-thirds of the unspent balance for  
27 the budget year preceding the most recently completed budget  
28 year minus one-half of the unspent balance for the budget year  
29 two years preceding the most recently completed budget year.

30 b. If a school district exceeds its authorized budget  
31 or carries a negative unspent balance for the most recently  
32 completed budget year and for each of the four budget years  
33 preceding that budget year and the school district was not  
34 recommended for a phase II on-site visit to conduct a fiscal  
35 review under this subsection for the budget year preceding the

1 most recently completed budget year, the committee may, but is  
2 not required to, recommend that the department conduct such a  
3 phase II on-site visit.

4 Sec. 3. Section 298.4, subsection 1, Code 2013, is amended  
5 by adding the following new paragraph:

6 NEW PARAGRAPH. *f.* To pay the costs of mediation and  
7 arbitration including but not limited to legal fees associated  
8 with such mediation or arbitration.

9 Sec. 4. NEW SECTION. **298.17 Transportation cost**  
10 **supplemental levy.**

11 1. The board of directors of a school district with district  
12 transportation costs per pupil in excess of the state average  
13 transportation costs per pupil, as those amounts are determined  
14 under section 257.31, subsection 17, paragraph "c", may certify  
15 for levy by April 15 of the school year preceding the budget  
16 year, a tax on all taxable property in the school district for  
17 a transportation cost supplemental levy. The revenue from the  
18 tax levied in this section shall be placed in the general fund  
19 of the school district and expended for the purposes authorized  
20 under subsection 3.

21 2. The amount certified by a school district for levy  
22 under this section for a school budget year shall not exceed  
23 an amount equal to the district's actual enrollment used to  
24 calculate the district's average transportation costs per pupil  
25 under section 257.31, subsection 17, paragraph "c", multiplied  
26 by the remainder of the district's average transportation costs  
27 per pupil minus the state average transportation costs per  
28 pupil, as those amounts are determined under section 257.31,  
29 subsection 17, paragraph "c". However, such resulting amount  
30 shall be reduced by the amount of transportation assistance aid  
31 received by the district under section 257.31, subsection 17,  
32 for the same budget year, if applicable.

33 3. Revenues received by a school district from a levy  
34 imposed under this section shall be expended only for the  
35 cost of repairing, maintaining, and fueling school district

1 transportation equipment and school buses, as defined in  
2 section 321.1, subsection 69.

3 4. Except for an adjustment in the amount certified for  
4 levy under subsection 2, imposition of a transportation cost  
5 supplemental levy under this section shall not affect a school  
6 district's eligibility for transportation assistance under  
7 section 257.31, subsection 17.

8 5. Revenues received by a school district under this section  
9 shall not be included in district cost and such amounts shall  
10 be miscellaneous income.

11 Sec. 5. APPLICABILITY. The section of this Act amending  
12 section 257.31, subsection 17, applies to school budget years  
13 beginning on or after July 1, 2014.

14 Sec. 6. APPLICABILITY. The section of this Act amending  
15 section 298.4 applies to school budget years beginning on or  
16 after July 1, 2014.

17 Sec. 7. APPLICABILITY. The section of this Act enacting  
18 section 298.17 applies to school budget years beginning on or  
19 after July 1, 2014.

20 EXPLANATION

21 Current Code section 257.31(17) provides that if a school  
22 district's average transportation costs per pupil exceed the  
23 state average transportation costs per pupil by 150 percent,  
24 the school budget review committee may grant transportation  
25 assistance aid to the district. This bill allows such  
26 transportation assistance aid to be granted by the committee  
27 if a school district's average transportation costs per pupil  
28 exceed the state average transportation costs per pupil.

29 Current Code section 257.31(18) provides that if a school  
30 district exceeds its authorized budget or carries a negative  
31 unspent balance for two or more consecutive years, the school  
32 budget review committee may recommend that the department  
33 of education implement a phase II on-site visit to conduct  
34 a fiscal review pursuant to Code section 256.11(10). The  
35 bill strikes current Code section 257.31(18), and enacts a

1 methodology for the school budget review committee to utilize  
2 when determining whether the committee may make recommendations  
3 for the department of education to implement a phase II on-site  
4 visit to conduct a fiscal review pursuant to Code section  
5 256.11(10).

6 The bill authorizes a school district to use revenue from the  
7 district management levy under Code section 298.4 to pay the  
8 costs of mediation and arbitration including but not limited to  
9 legal fees associated with such mediation or arbitration.

10 The bill authorizes the board of directors of a school  
11 district with district transportation costs per pupil in excess  
12 of the state average transportation costs per pupil, as those  
13 amounts are determined under Code section 257.31(17)(c), to  
14 certify for levy a tax on all taxable property in the school  
15 district for a transportation cost supplemental levy. The  
16 amount certified by a school district for levy for a school  
17 budget year shall not exceed an amount equal to the district's  
18 actual enrollment used to calculate the district's average  
19 transportation costs per pupil multiplied by the remainder of  
20 the district's average transportation costs per pupil minus  
21 the state average transportation costs per pupil. The bill  
22 provides, however, that such resulting amount shall be reduced  
23 by the amount of transportation assistance aid received by the  
24 district under Code section 257.31(17) for the same budget  
25 year, if applicable.

26 The bill specifies that revenues received by a school  
27 district from a levy imposed under the bill shall be expended  
28 only for the cost of repairing, maintaining, and fueling school  
29 district transportation equipment and school buses. The bill  
30 provides that except for an adjustment in the amount that  
31 may be certified for levy, imposition of a transportation  
32 supplemental levy does not affect a school district's  
33 eligibility for transportation assistance under Code section  
34 257.31(17).

35 The bill specifies that revenues received by a school

1 district from a transportation cost supplemental levy shall  
2 not be included in district cost and such amounts shall be  
3 miscellaneous income.

4     The section of the bill amending Code section 257.31(17)  
5 applies to school budget years beginning on or after July 1,  
6 2014. The section of the bill amending Code section 298.4  
7 applies to school budget years beginning on or after July 1,  
8 2014. The section of the bill enacting Code section 298.17  
9 applies to school budget years beginning on or after July 1,  
10 2014.